

To the Members of the California State Senate:

I am returning Senate Bill 1569 without my signature.

This bill would give health care providers a cause of action under the Knox-Keene Act to sue health care service plans for violations of the Act's prompt payment claims provisions.

Doctors should be compensated by health plans in a timely manner after they provide services to patients, but there are already laws in place to require prompt payments from health plans. Additionally, the Department of Managed Health Care (DMHC) recently promulgated regulations to spell out such payment requirements, which have only been in effect since January of this year. The DMHC is currently enforcing these regulations and should be given sufficient time to implement and evaluate them for effectiveness. If after an appropriate length of time the regulations warrant changes, then improvements to the regulatory process should be discussed.

In the meantime, doctors currently have numerous remedies under existing law if plans fail to pay their claims on time, including using the health plans' dispute resolution system and suing for breach of contract.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger